

Message Text

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PAGE 01 CANBER 01271 240543Z
ACTION SIL-01

INFO OCT-01 EA-07 ISO-00 CIAE-00 COME-00 EB-08 INR-07
LAB-04 NSAE-00 IO-13 /041 W
-----240545 022356 /15
R 240459Z FEB 77
FM AMEMBASSY CANBERRA
TO SECSTATE WASHDC 9861
INFO AMCONSUL MELBOURNE
AMCONSUL SYDNEY

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EO 11652: NA
TAGS: ELAB, AS
SUBJECT: CONVERSATION WITH ACTU PRESIDENT BOB HAWKE

1. LABOR OFFICER HAD LONG CONVERSATION WITH HAWKE ON FEB 21, DAY BEFORE HE LEFT FOR GENEVA TO ATTEND MEETING OF ILO GB. DURING CONVERSATION HAWKE COMMENTED ON VARIETY OF SUBJECTS INCLUDING WHAT ACTU MIGHT DO DURING 1977 IF FRASER GOVERNMENT PERSISTS WITH EFFORTS TO PLACE BLAME FOR ITS FAILURES ON TRADE UNION MOVEMENT. HE SPOKE CALMLY AND REFLECTIVELY AND WITH OBVIOUS CONCERN ABOUT ECONOMIC PLIGHT OF AUSTR BUT DID NOT APPEAR TO BE OPTIMISTIC ABOUT POSSIBILITIES OF ARRANGING FOR TYPE OF SERIOUSLY-INTENDED HIGH LEVEL CONSULTATIONS WHICH MIGHT RESULT IN MUTUALLY-SATISFACTORY TRIPARTITE ACCOMMODATION. AT ONE POINT HE SAID FRASER GOVERNMENT REMINDED HIM OF HOUSE OF BOURBON IN THAT IT HAD QTE LEARNED NOTHING AND FORGOTTEN NOTHING. END QTE

2. FUTURE OF WAGE INDEXATION -- HAWKE SAID HE DOUBTED ARBITRATION COMMISSION (WHICH HE DESCRIBED AS QTE VERY FRIGHTENED END QTE) WOULD GRANT FULL CPI-BASED WAGE INCREASE FOR MEDIBANK-SKEWED FINAL QUARTER OF 1976 (WHICH ACTU WILL REQUEST) BUT HEDGED WHEN ASKED IF PARTIAL AWARD WOULD TRIGGER
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OFTEN-THREATENED ACTU DECISION TO ABANDON WAGE INDEXATION FOR DIRECT BARGAINING. INSTEAD, HE REFERRED IN GENERAL TERMS TO VARIOUS PRE-INDEXATION WAGE FORMULAE WHICH TRADE UNION MOVEMENT HAD FOUND ACCEPTABLE IN PAST AND ALSO TO POSSIBILITIES OF GETTING INCREASINGLY SYMPATHETIC EMPLOYERS TO INTERCEDE WITH GOVERNMENT E.G. ON TAX CUTS IN EXCHANGE FOR WAGE RESTRAINT, IN EFFORTS TO AVOID

INDUSTRIAL CONFRONTATION. HE SAID HE STRONGLY DOUBTED, HOWEVER, THAT GOVERNMENT WOULD AGREE TO MAKE SIGNIFICANT TAX CUTS (AND THUS APPEAR TO BE GIVING IN TO ALP/ACTU DEMANDS) UNTIL CAREFULLY CHOSEN TIME JUST BEFORE NEXT FEDERAL ELECTIONS.

3. ANTI-UNION LEGISLATION -- HAWKE REJECTED SUGGESTION THAT FRASER GOVERNMENT LOOKED UPON PROPOSED INDUSTRIAL RELATIONS BUREAU (IRB) AND AMENDMENTS TO TRADE PRACTICES ACT AS POSSIBLE NEGOTIATING TRADE OFFS OR THAT TRADE UNION MOVEMENT WOULD BE WILLING TO TAKE THEM SERIOUSLY AS SUCH. HE PREDICTED, HOWEVER, THAT REAL CRUNCH ON THESE MEASURES WOULD COME NOT WHEN GOVERNMENT ENACTED THEM BUT WHEN IT TRIED TO PUT THEM INTO EFFECT AS PART OF ITS UNION-BASING CAMPAIGN. ASKED HOW IRB ISSUE RATED WITH MEDIBANK AS BASIS FOR QTE POLITICAL END QTE STRIKES, HAWKE DECLINED TO VENTURE OPINION.

4. INDUSTRIAL UNREST IN 1977 -- WITH UNEMPLOYMENT AT RECORD POST-DEPRESSION LEVELS AND EMPLOYERS RETRENCHING AND COMPLAINING ABOUT SMALL PROFIT MARGINS, HAWKE SAID HE DOUBTED 1977 WOULD SEE AS MUCH INDUSTRIAL UNREST IN AUSTRALIA AS SOME OBSERVERS HAVE BEEN PREDICTING. IN THIS CONNECTION HE DREW LABOR OFFICER'S ATTENTION TO RECENT NEWSPAPER ARTICLE QUOTING LIBERAL VICTORIAN PREMIER HAMER (NOW IN U.S. TO PROMOTE U.S. INVESTMENT IN VOCTORIA) TO EFFECT THAT CRITICS HAVE EXAGGERATED NEGATIVE IMPACT OF RECENT INDUSTRIAL UNREST INCLUDING MEDIBANK STRIKE ON AUSTRALIAN ECONOMY. ASKED WHAT LIMITED OFFICIAL USE

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TRADE UNION MOVEMENT WOULD DO IF SEVERELY PROVOKED IN ONE WAY OR ANOTHER DURING 1977 HAWKE SMILED AND SHOOK HIS HEAD BUT DID NOT OTHERWISE RESPOND.

5. UNION AMALGAMATION -- HAWKE SAID HE EXPECTED THAT AT LEAST SOME OF PRESENT AFFILIATES OF 400,000 MEMBER AUSTRALIAN COUNCIL OF SALARIED AND PROFESSIONAL ASSOCIATIONS (ACSPA) WOULD ELECT TO AFFILIATE WITH ACTU DURING 1977 AND THAT ACTU CONGRESS IN SEPTEMBER WOULD AMEND ACTU CONSTITUTION SO AS TO ACCOMMODATE ACSPA.

6. COMMENT: DESPITE FACT HAWKE HAS BEEN SETTING KILLING PACE DURING RECENT MONTHS - BOTH WORKING AND TRAVELING - HE LOOKED AND ACTED FIT AND RELAXED DURING CONVERSATION AND OBVIOUSLY DERIVES TREMENDOUS ENJOYMENT AND SATISFACTION FROM ROLE HE IS NOW PLAYING AS TOP OPPONENT OF GOVERNMENT OF WHICH HE HAS FORMED EXTREMELY LOW OPINION.
HARGROVE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONAL OPINION, ECONOMIC CONDITIONS, WAGES, LABOR RELATIONS, TEXT ON MICROFILM ONLY, LABOR UNIONS, LABOR OBJECTIVES
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CANBER01271
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: ACCESSION #D770063-0908 REMOVED FROM SYSTEM, TEXT UPGRADED PER MEMO P900052-0210
Executive Order: OA
Errors: N/A
Expiration:
Film Number: P900052-0234, D770063-0908
Format: TEL
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770214/aaaaamoc.tel
Line Count: 115
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a172c1bf-c288-dd11-92da-001cc4696bcc
Office: ACTION SIL
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: UNCLASSIFIED
Original Previous Handling Restrictions: LOU
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LOU
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3244777
Secure: OPEN
Status: NATIVE
Subject: CONVERSATION WITH ACTU PRESIDENT BOB HAWKE
TAGS: ELAB, AS, ACTU, (HAWKE, ROBERT)
To: STATE MELBOURNE MULTIPLE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/a172c1bf-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009